As an example, in 2012, after spending four years and approximately $24 million, NorthWestern indefinitely postponed its attempts to secure permits for the proposed 500kV Mountain States Transmission Intertie ("MSTI"), which would have provided an additional connection outside of Montana. This transmission line would have extended from southwestern Montana to southcentral Idaho and would have been capable of transmitting approximately 1000 MW of power. The abandonment of the project was due to continued permitting issues including never-ending process, analysis and movement of goalposts, as well as difficulty in getting all agencies to timely act and cooperate to define a reasonable end to the permitting process. Although the Inflation Reduction Act has made available some resources for such projects, the regulatory environment in terms of approval timelines has not improved since 2012.

There are no presently proposed interstate transmission lines or upgrades that would facilitate added import capability into Montana. Given the MSTI experience, if a project was proposed tomorrow, it could require 7-10 years to design, permit, construct, and bring into operation, if that was even possible.

6. *Costs of installing additional controls on Colstrip*

The options and anticipated costs of installing additional controls on Colstrip to comply with the Proposed Rule are set forth in detail in Talen's comments, accompanied by a supporting analysis prepared by Burns & McDonnell. NorthWestern joins the Talen comments and will not reiterate them here. NorthWestern's comments assume capital costs of at least $350,000,000, and annualized costs of $57,000,000, based on the working assumption that Reheat Fabric Filter is the most viable technology Colstrip would deploy to comply with the Proposed Rule. ("Proposed Rule Costs").

7. *Colstrip and NorthWestern portfolio scenarios*

NorthWestern has not planned for the Proposed Rule or the Proposed Rule Costs. Because the Proposed Rule reflects a reversal or prior EPA analyses and conclusions, and is not based on new information, there was no reason for NorthWestern to anticipate the Proposed Rule or the Proposed Rule Costs in the 2019 ERPP or 2020 Supplement, and neither the Proposed Rule or the Proposed Rule Costs were factored into the recently completed 2023 IRP.[2]

As explained in Sections 4 and 5, Colstrip is central to NorthWestern's generation portfolio, and purchasing additional market capacity from existing generation sources to replace Colstrip's capacity carries high costs and risks from a generation resource or

[2] Although the 2023 IRP was released shortly after the publication of the Proposed Rule, the Proposed Rule was released far too close to the finalization of the 2023 IRP to be factored into the analyses and planning.

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